

## DOCUMENT RESUME

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[Eligibility for Aid for Families with Dependent Children in Mahoning County, Ohio]. HRD-77-107; B-164031(3). June 17, 1977. 4 pp.

Report to Rep. Sam M. Gibbons, Chairman, House Committee on Ways and Means: Oversight Subcommittee; by Robert F. Keller, Deputy Comptroller General.

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A review of the certain procedures and practices of the Mahoning County Welfare Department in approving and reviewing eligibility for Aid to Families of Dependent Children (AFDC) and Medicaid revealed that there had been AFDC overpayments and potential Medicaid overpayments. Findings/Conclusions: In about half of the cases in a sample of 17 cases, AFDC overpayments have resulted because unemployment compensation was not properly considered and deducted from the AFDC benefits. Unemployment compensation is considered by a declaration from the recipient, and a periodic check of a State listing matching recipients of AFDC and unemployment benefits. The matching program is a useful tool, but to be effective, the State must improve its efforts to provide accurate data, and the county must act upon the information provided, not always the case in the past. Ohio was found to grant Medicaid coverage exceeding that allowed by Federal law. AFDC recipients who thus automatically get Medicaid coverage, and who later become ineligible because of employment, are entitled to four additional months of Medicaid. However, Ohio computes this from the effective date of AFDC termination, often a month or more after the month of ineligibility. (DJM)

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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548



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JUN 17 1977

The Honorable Sam M. Gibbons  
Chairman, Subcommittee on Oversight  
Committee on Ways and Means  
House of Representatives

Dear Mr. Chairman:

In response to your subcommittee's requests of December 8, 1976, and January 13, 1977, we reviewed certain procedures and practices followed by the Mahoning County Welfare Department (Ohio) in approving and reviewing eligibility for Aid to Families with Dependent Children (AFDC). The results of our review were presented in oral briefings to the subcommittee staff on February 9, 1977, and March 15, 1977. As requested, this report provides details on two of the matters covered in the briefings. These are:

--AFDC overpayments because unemployment compensation was not properly considered in determining AFDC benefits.

--Potential Medicaid overpayments due to the method used by Ohio to compute Medicaid eligibility.

We did not obtain written comments on this report; however, we discussed our observations with State and county officials who concurred with us.

#### AFDC OVERPAYMENTS

Under current Federal law, individuals can receive both AFDC assistance and unemployment compensation provided the allowable AFDC payment is reduced by the amount of unemployment compensation received. To qualify, AFDC applicants must first apply for and accept unemployment compensation to which they are entitled, and then apply for AFDC.

There are two procedures to assure that the amount of unemployment compensation is considered in determining AFDC payments. First, the Mahoning County Welfare Department requires AFDC applicants to furnish a form completed by the Ohio Bureau of Employment Services attesting to the amount of unemployment compensation, if any, being received. Second, the department is supposed to periodically check on the validity of AFDC payments being made by using State listings of

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persons reportedly receiving both AFDC and unemployment compensation. The State listings are the result of a computer matching of social security numbers of persons shown as AFDC and unemployment compensation recipients.

We reviewed a sample of 17 Mahoning County AFDC cases to determine the effectiveness of the two procedures in preventing and/or detecting AFDC overpayments to individuals receiving unemployment compensation. Our sample was selected from a State listing of 63 Mahoning County AFDC and unemployment compensation matches for the months of June and July of 1976. The listing was forwarded to the county in September 1976.

Eight of the 17 persons had received AFDC overpayments. Payments for the other nine were proper either because they did not actually receive AFDC and unemployment compensation during the same period, or their AFDC payments were properly reduced by the amount of unemployment compensation received. At the time of our review in March 1977 county caseworkers had taken appropriate action on six of the eight overpaid cases through use of (1) the September 1976 listing, (2) prior listings, or (3) other means, such as information volunteered by recipients. However, in two cases the caseworkers did not detect the overpayments. One individual received overpayments totaling \$1,020 for the period February through June 1976 and the other \$2,214 for the period April through August 1976.

In each of the eight cases, the prescribed procedure had been followed in approving the recipient's AFDC application. Each file contained the required form completed by the Ohio Bureau of Employment Services indicating the applicant was not receiving unemployment compensation. However, each recipient later became eligible for and began receiving unemployment compensation without the AFDC caseworkers' knowledge.

In such instances, without the State matching program, caseworkers would generally have to rely upon recipients voluntarily informing them that they are enrolled in both programs. Therefore, the State matching program is a useful means of detecting persons who do not inform the county of their changed status. However, the Mahoning County Welfare Department has no established procedures to insure that caseworkers use the State listings to detect erroneous payments. The listings are handled informally, with little or no

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documentation of action taken as a result of the information provided.

Also, the State has not been as responsive to the needs of the counties as it could be. The State's January 1977 listing was inaccurate because of a computer programing error. As a result of the error, many persons were listed as receiving benefits from both programs, even though they did not actually receive unemployment compensation during the matching period. The erroneous listing contained about 10,000 matches statewide, compared to a normal 2,000. The counties were not notified of the error, which could result in unproductive efforts on their part. Future listings, according to State personnel, will show the period and amount of unemployment compensation, which should eliminate the problem of erroneous matches.

We believe that the State listing of individuals that receive both AFDC and unemployment compensation is a useful means of identifying overpaid or ineligible AFDC recipients. However, to be effective, the State must improve its efforts to provide data that can be relied upon and the county must act on the information provided.

#### POTENTIAL MEDICAID OVERPAYMENTS

We noted a statewide practice that could result in overpayments of Medicaid benefits. Ohio is granting Medicaid coverage in excess of that allowable under Federal law.

Under current Federal law, eligible AFDC recipients are automatically given Medicaid coverage. Normally, when they become ineligible for AFDC they also become ineligible for further Medicaid coverage. However, AFDC recipients who become ineligible because of employment are entitled to 4 additional months of Medicaid coverage.

Under the law, the 4-month extended coverage period begins with the month in which the individual becomes ineligible for AFDC due to employment. However, in Ohio, the 4-month period is computed from the effective date of AFDC termination, which is often a month or more after the month of ineligibility. For example, one Mahoning County recipient became ineligible because of employment in June, but the effective date of AFDC termination was August 1. Therefore, the recipient was granted extended Medicaid coverage through November—a period of 6 months, beginning with the month of

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ineligibility. To the extent that recipients take advantage of Medicaid coverage, the additional time allowed in this case and others will result in Medicaid overpayments.

We trust the information in this report and that provided earlier in oral briefings will be helpful to the subcommittee. As requested by your office, we are sending copies of this report to the Secretary, Department of Health, Education, and Welfare.

Sincerely yours,

  
DEPUTY Comptroller General  
of the United States